

Item: _____
Fiscal Impact: _____
Funding Source: _____
Account #: _____
Budget Opening Required: ☐

ISSUE:

This Resolution concerns an Amendment to the Amphitheater Event Management Agreement for the operation of USANA Amphitheater.

SYNOPSIS:

This Amendment changes the payment schedule of the Amphitheater Event Management Agreement. The original Agreement provided that PAE pay the City a flat fee of \$150,000 to provide management services to USANA Amphitheater. The Amendment changes the formula to a reduced flat fee of \$75,000 and an additional payment of \$.75 for each paid amphitheater ticket in excess of 130,000 per year. There is no cap on the additional \$.75 per ticket payments.

BACKGROUND:

When the Amphitheater was constructed, PAE contracted with the City to provide certain management services to the Amphitheater. The City has subcontracted those services to Centennial Management Group. Over its years of operation, the number of events at the Amphitheater has been subject to quite a wide variation in number of events and attendance. These changes to the Event Management Agreement will bring the payments for management services more in line with attendance. The flat payment ensures that the City's costs are covered and provides PAE with a stable management expense combined with the per ticket payment to provide the City with more revenue in busy years.

RECOMMENDATION:

Staff recommends the City Council approve this resolution.